

House Republican Press Release

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State Budget Delivers Good News and Bad



By state Rep. Cathy C. Tymniak, R-133

Among the good news in the recently adopted state budget is a first-in-Connecticut \$1,000,000 pilot program of services for adults with autism. More state aid is coming to support schools and municipal services in towns such as Fairfield and Westport.

Homeowners will receive a property tax credit of up to \$500 when they file their next state income tax returns. People who save for education in the Connecticut Higher Education Trust (CHET) can take a state tax deduction up to \$10,000 per couple.

Sweeping transportation and jobs programs will improve the quality of life and make Connecticut more economically competitive. Teachers' pensions will be funded at appropriate levels at least for now, after a decade of gross underfunding. Business taxes will be lowered to attract more job-creating investment.

These are some of the positive highlights of a revised \$16-billion state budget approved by the state House and Senate for the new fiscal year that begins July 1. However, there were many disappointments and opportunities lost in this year's budget deliberations.

Fairfield will receive \$2.8 million for payments in lieu of taxes on colleges within the town, an extra \$51,000 in one-time property tax relief, an additional 233,200 to help with special education students and \$349,013 to pave and repair local roads.

With more than \$600 million in surplus from the prior year, the legislature could have used the money boldly to correct some serious long-term problems. The legislature could have saved more money in the state's Rainy Day Fund to ease an impending budget gap in 2008. It could have paid down some of the nation's highest per capita state debt. It could have cut more taxes.

Instead, the legislature delivered half a loaf: depositing a \$137-million contribution in the Rainy Day Fund, contributing \$246 million toward a \$5-billion unfunded teachers' pension liability, and paying off an \$85.5 million debt left over from a 2003 fiscal crisis. Some spending proposals were scaled back.

Some legislators argued that a state surplus should produce more tax cuts for the most heavily taxed state in the nation. Few cuts were forthcoming, other than tax credits to attract movie-making to Connecticut, along with a five-year phase out of the local property tax on manufacturing machinery and equipment and reducing a corporate income tax surcharge that was reimposed last year. There was no elimination of the car tax, reform of the estate tax nor cuts in taxes on electricity or gasoline.

I offered to reform the estate tax so only assets above \$2 million would be taxed, and to exempt homes and farms from the estate tax. Despite our efforts, the legislative majority refused to change the estate tax or increase school aid to our suburban towns.

Overall it was a mixed bag budget, the result of a bipartisan compromise—approved on-time, without the need to call costly special sessions on into the summer as has happened repeatedly since 2001. As Gov. M. Jodi Rell put it, “Each side had to give a little and take a little.”

Key parts of the budget process, as has become routine in recent years, were hidden from the light of day, with limited public exposure, including input from only a handful of the state’s 185 elected legislators. Some key legislators saw their pet projects funded, others were shut out of the process. Spending was not evaluated for effectiveness or redundancy before being included in the final budget. It was added because powerful leaders wanted it there.

This year’s final budget document was hammered out behind closed doors on a Friday night, revealed to the news media on Saturday and debated in the House on Sunday as an emergency measure without the standard 72-hour public disclosure period.

Members of the Appropriations Committee including myself, who worked many long hours on the budget process, and individual House and Senate members, were handed the final budget as a take-it-or-leave-it 109-page document.

I venture to say many House members could not read and analyze the entire budget before the 9:35 p.m. Sunday night vote.

It is not the ideal way to write a budget nor a democratic way to represent all 3.4 million Connecticut citizens. It was a budget pieced together based on political power and expediency.

Nevertheless, a number of elements are worthy of emphasis:

- Some \$66,850 for the Fire Training School in Fairfield
- Additional payments of \$20 million to help towns with the costs of special education students
- A historical house property tax credit
- A tax credit for companies that create at least 50 jobs

- A tax credit for hiring laid off workers
- Money for a state police training class to maintain at least 1,200 troopers to assure highway safety and other duties.

Overall, the budget rates a B for content and a D for the closed-door negotiation process.

State Rep. Cathy C. Tymniak serves the 133rd Assembly District of Fairfield and Westport.